

Tabling draft resolutions is a requirement of the MFMA. By the time the budget is tabled for consultation, it should already be a credible budget and the draft resolutions will reflect the legal form. As these resolutions are tabled, council will need to deal with them. At the time of tabling for consultation, council may simply note the draft resolutions. At the time of tabling for consideration of approval, depending on when the budget is to be approved, council may note them or may move a motion for approval of the budget based on these or amended resolutions.

An example set of required budget resolutions are set out below. Municipalities may have additional resolutions to suit their individual requirements.

1. Council resolves that the annual budget of the municipality for the financial year 2006/07; and indicative for the two projected outer years 2007/08 and 2008/09 be approved as set-out in the following schedules:

- 1.1. Operating revenue by source reflected in schedule 1;
- 1.2. Operating expenditure by vote reflected in schedule 2;
- 1.3. Operating expenditure by GFS classification reflected in schedule 2(a);
- 1.4. Capital expenditure by vote reflected in schedules 3;
- 1.5. Capital expenditure by GFS classification reflected in schedule 3(a); and
- 1.6. Capital funding by source reflected in schedule 4.

[Note that 1.3 and 1.5 will not be necessary if council elects to show schedules 2 and 3 by GFS classification]

Optional resolution for appropriating multi year capital budget

- 1.3 Council resolves that multi-year capital appropriations by vote and associated funding reflected in schedules 3, 3(a) and 4 be approved.
2. Council resolves that property rates reflected in (insert reference) and any other municipal tax reflected in (insert reference) are imposed for the budget year 2006/07.
3. Council resolves that tariffs and charges reflected in (insert reference) are approved for the budget year 2006/07.
3. Council resolves that the measurable performance objectives for revenue from each source reflected in (insert reference) are approved for the budget year 2006/07.
4. Council resolves that the measurable performance objectives for each vote reflected in (insert reference) are approved for the budget year 2006/07.
5. Council resolves to adopt the amended Integrated Development Plan reflected in (insert reference).
6. Council resolves that the amended policies for credit control, debt collection and indigents as reflected in (insert reference) are approved for the budget year 2006/07.
7. Council resolves that the other amended budget related policies reflected in (insert reference) are approved for the budget year 2006/07.

Optional resolution for noting the SDBIP

8. Council notes the SDBIP tabled with the budget for subsequent approval by the Mayor

SCHEDULE 1 REVENUE BY SOURCE	Preceding Year 2004/05	Current Year 2005/06			Medium Term Revenue and Expenditure Framework		
	Audited Actual R'000 A	Approved Budget R'000 B	Adjusted Budget R'000 C	Full Year Forecast R'000 D	Budget Year 2006/07	Budget Year +1 2007/08	Budget Year +2 2008/09
					Budget R'000 E	Budget R'000 F	Budget R'000 G
<u>Operating Revenue by Source</u>							
Property rates							
Property rates - penalties imposed and collection charges							
Service charges - electricity revenue from tariff billings							
Service charges - water revenue from tariff billings							
Service charges - sanitation revenue from tariff billings							
Service charges - refuse removal from tariff billings							
Service charges - other							
Regional Service Levies - turnover							
Regional Service Levies - remuneration							
Rental of facilities and equipment							
Interest earned - external investments							
Interest earned - outstanding debtors							
Dividends received							
Fines							
Licenses and permits							
Income for agency services							
Government grants & subsidies							
Public contributions & donated or contributed PPE							
Gain on disposal of property plant and equipment							
Total Revenue By Source	0	0	0	0	0	0	0

Column Definitions:

- A. The audited actual for 2004/05 as per the audited financial statements. If audit figures are not available for 2004/05, pre audit figures must be provided with a note stating these are pre audit.
- B. The original budget approved by council for the 2005/06 budget year.
- C. The budget for 2005/06 budget year as adjusted by council resolution in terms of section 28 of the MFMA.
- D. An estimate of final actual figures (pre audit) for the 2005/06 budget year at the point in time of preparing the budget for the 2006/07 budget year. This may differ from C.
- E. The amount to be appropriated for the 2006/07 budget year.
- F. The indicative projection for 2007/08
- G. The indicative projection for 2008/09

Notes:

- The sources of revenue listed here are adapted from the specimen financial statements (statement of financial performance). These must be used where they apply.
- Delete sources that are not applicable.
- Insert additional sources that are not listed in the specimen financial statements. The specimen should be comprehensive and the need to list additional sources should not be great.
- Regional Service Levies has been included as comparative information for previous years should continue to be reflected on the schedule.
- Use of "other" must be limited such that each individual source is less than or equal to 2.5% of total revenue to ensure greatest possible information content for users.
- See example tables and charts provided in Annexure 3 (Table 1 and related charts - pages 20 to 22).

SCHEDULE 2(a) OPERATING EXPENDITURE BY GFS	Preceding Year 2004/05	Current Year 2005/06			Medium Term Revenue and Expenditure Framework		
	Audited Actual R'000 A	Approved Budget R'000 B	Adjusted Budget R'000 C	Full Year Forecast R'000 D	Budget Year 2006/07	Budget Year +1 2007/08	Budget Year +2 2008/09
					Budget R'000 E	Budget R'000 F	Budget R'000 G
Executive & Council Finance & Admin Planning & Development Health Community & Social Services Housing Public Safety Sport and Recreation Environmental Protection Waste Management Waste Water Management Road Transport Water Electricity							
OPERATING EXPENDITURE BY VOTE	0	0	0	0	0	0	0

Column Definitions:

- A. The audited actual for 2004/05 as per the audited financial statements. If audit figures are not available for 2004/05, pre audit figures must be provided with a note stating these are pre audit.
B. The original budget approved by council for the 2005/06 budget year.
C. The budget for 2005/06 budget year as adjusted by council resolution in terms of section 28 of the MFMA.
D. An estimate of final actual figures (pre audit) for the 2005/06 budget year at the point in time of preparing the budget for the 2006/07 budget year. This may differ from C.
E. The amount to be appropriated for the 2006/07 budget year.
F. The indicative projection for 2007/08
G. The indicative projection for 2008/09

Notes:

1. This schedule is required if the municipality elects to approve schedule 2 according to a vote structure not consistent with GFS classifications
2. All budgeted amounts must be classified under a GFS function. **Do not use "other"**. Where the function falls within the GFS function "Other", Use the GFS sub-function classification.
3. See example tables and charts provided in Annexure 3 (Table 2 and related charts - pages 23 to 25)

SCHEDULE 3(a) CAPITAL EXPENDITURE BY GFS	Preceding Year 2004/05	Current Year 2005/06			Medium Term Revenue and Expenditure Framework		
	Audited Actual R'000 A	Approved Budget R'000 B	Adjusted Budget R'000 C	Full Year Forecast R'000 D	Budget Year 2006/07	Budget Year +1 2007/08	Budget Year +2 2008/09
					Budget R'000 E	Budget R'000 F	Budget R'000 G
Executive & Council Finance & Admin Planning & Development Health Community & Social Services Housing Public Safety Sport and Recreation Environmental Protection Waste Management Waste Water Management Road Transport Water Electricity							
CAPITAL EXPENDITURE BY VOTE	0	0	0	0	0	0	0

Column Definitions:

- A. The audited actual for 2004/05 as per the audited financial statements. If audit figures are not available for 2004/05, pre audit figures must be provided with a note stating these are pre audit.
B. The original budget approved by council for the 2005/06 budget year.
C. The budget for 2005/06 budget year as adjusted by council resolution in terms of section 28 of the MFMA.
D. An estimate of final actual figures (pre audit) for the 2005/06 budget year at the point in time of preparing the budget for the 2006/07 budget year. This may differ from C.
E. The amount to be appropriated for the 2006/07 budget year.
F. The indicative projection for 2007/08
G. The indicative projection for 2008/09

Notes:

1. This schedule is required if the municipality elects to approve schedule 2 according to a vote structure not consistent with GFS classifications
2. All budgeted amounts must be classified under a GFS function. **Do not use "other"**. Where the function falls within the GFS function "Other", Use the GFS sub-function classification.
3. See example tables and charts provided in Annexure 3 (Table 3 and related charts - pages 26 to 28)

SCHEDULE 4 CAPITAL FUNDING BY SOURCE	Preceding Year 2004/05	Current Year 2005/06			Medium Term Revenue and Expenditure Framework		
	Audited Actual R'000 A	Approved Budget R'000 B	Adjusted Budget R'000 C	Full Year Forecast R'000 D	Budget Year 2006/07	Budget Year +1 2007/08	Budget Year +2 2008/09
					Budget R'000 E	Budget R'000 F	Budget R'000 G
National Government Amounts allocated / gazetted for that year Amounts carried over from previous years							
Total Grants & Subsidies - National Government							
Provincial Government Amounts allocated / gazetted for that year Amounts carried over from previous years							
Total Grants & Subsidies - Provincial Government							
District Municipality Amounts allocated for that year Amounts carried over from previous years							
Total Grants & Subsidies - District Municipalities							
Total Government Grants & Subsidies							
Public Contributions & Donations							
Accumulated Surplus (Own Funds)							
External Loans							
TOTAL FUNDING OF CAPITAL EXPENDITURE³							

Column Definitions:

- A. The audited actual for 2004/05 as per the audited financial statements. If audit figures are not available for 2004/05, pre audit figures must be provided with a note stating these are pre audit.
B. The original budget approved by council for the 2005/06 budget year.
C. The budget for 2005/06 budget year as adjusted by council resolution in terms of section 28 of the MFMA.
D. An estimate of final actual figures (pre audit) for the 2005/06 budget year at the point in time of preparing the budget for the 2006/07 budget year. This may differ from C.
E. The amount to be appropriated for the 2006/07 budget year.
F. The indicative projection for 2007/08
G. The indicative projection for 2008/09

Notes:

1. All municipalities must follow the format above for standardisation.
2. Use Zero (0) where no amount is applicable.
3. Total Capital Expenditure agrees to Total Funding
4. See example tables and charts provided in Annexure 3 (Table 4 and related charts - pages 29 & 30)

EXAMPLE TABLE 1 REVENUE BY SOURCE	Preceding Year 2004/05	Current Year 2005/06			Medium Term Revenue and Expenditure Framework		
	Audited Actual R'000 A	Approved Budget R'000 B	Adjusted Budget R'000 C	Full Year Forecast R'000 D	Budget Year 2006/07	Budget Year +1 2007/08	Budget Year +2 2008/09
					Budget R'000 E	Budget R'000 F	Budget R'000 G
<u>Revenue by Source</u>							
Property rates	2 375 137	2 900 000	2 686 000	2 686 136	2 877 527	3 051 347	3 214 839
Property rates - penalties imposed and collection charges	222 242	260 000	255 000	255 007	162 030	150 507	154 267
Service charges - electricity revenue from tariff billings	2 757 471	3 100 000	2 956 000	2 956 503	3 092 832	3 296 959	3 514 558
Service charges - water revenue from tariff billings	1 028 625	1 180 000	1 168 000	1 168 625	1 231 198	1 317 501	1 416 668
Service charges - sanitation revenue from tariff billings	54 504	70 000	63 000	62 860	58 784	61 723	64 810
Service charges - refuse removal from tariff billings	79 854	100 000	90 000	89 533	93 067	97 720	102 606
Service charges - other	27 275	24 000	26 000	25 948	25 694	27 236	28 870
Regional Service Levies	130 189	160 000	170 000	170 472	0	0	0
Rental of facilities and equipment	70 337	95 000	97 000	97 157	103 074	109 430	115 428
Interest earned - external investments	494 128	180 000	186 000	185 594	102 122	68 954	68 646
Interest earned - outstanding debtors	34 554	6 500	7 000	7 276	20 000	21 000	22 050
Fines	76 084	120 000	113 000	113 403	162 575	170 709	174 399
Licenses and permits	5 127	8 800	8 700	8 663	8 231	8 643	9 075
Government grants & subsidies	623 668	1 760 000	1 657 000	1 663 771	2 129 946	2 259 866	2 631 441
Total Revenue By Source	7 979 195	9 964 300	9 482 700	9 490 948	10 067 080	10 641 595	11 517 657

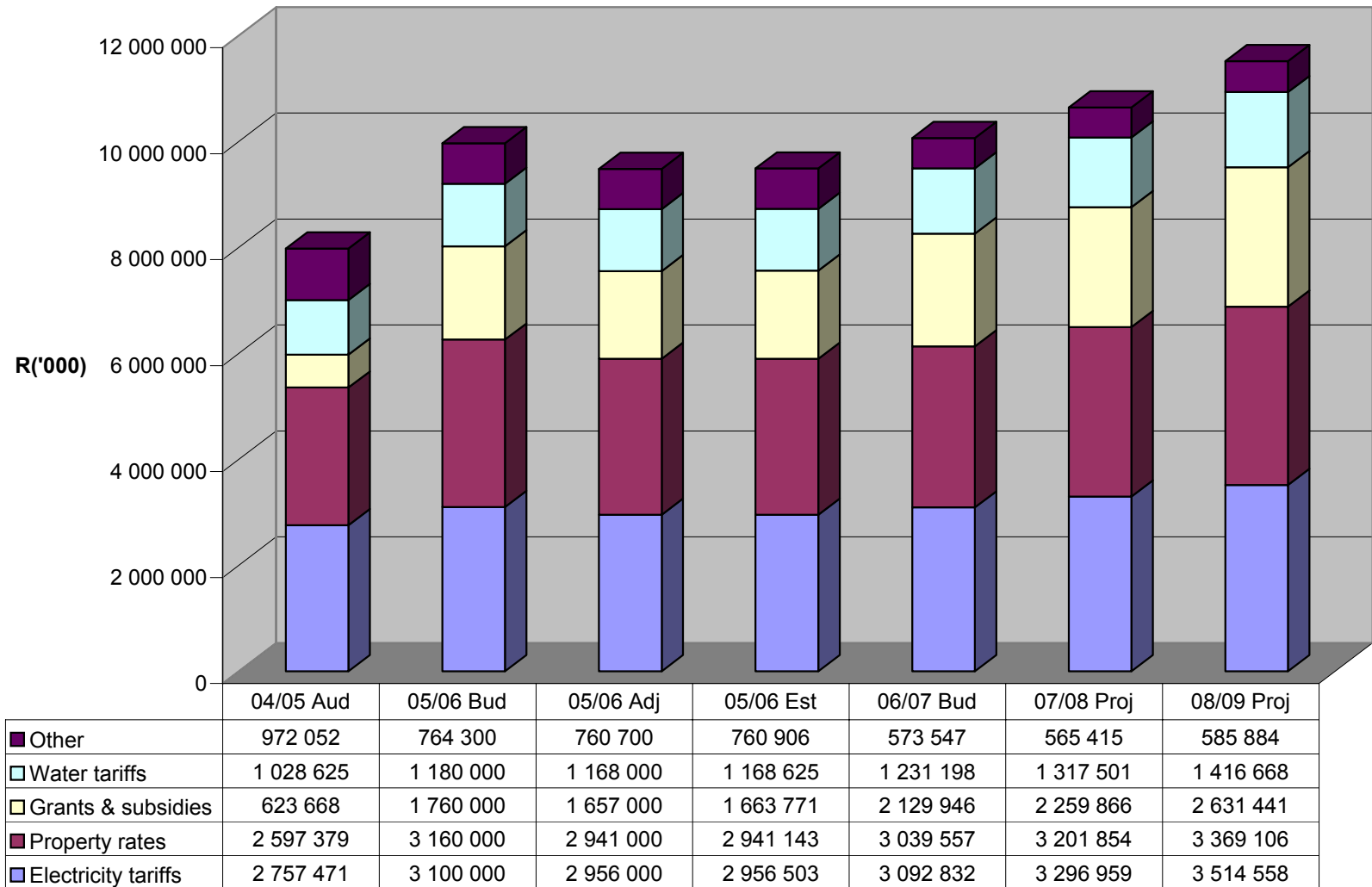
Column Definitions:

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- B. The original budget approved by council for the 2005/06 budget year.
- C. The budget for 2005/06 budget year as adjusted by council resolution in terms of section 28 of the MFMA.
- D. An estimate of final actual figures (pre audit) for the 2005/06 budget year at the point in time of preparing the budget for the 2006/07 budget year. This may differ from C.
- E. The amount to be appropriated for the 2006/07 budget year.
- F. The indicative projection for 2007/08
- G. The indicative projection for 2008/09

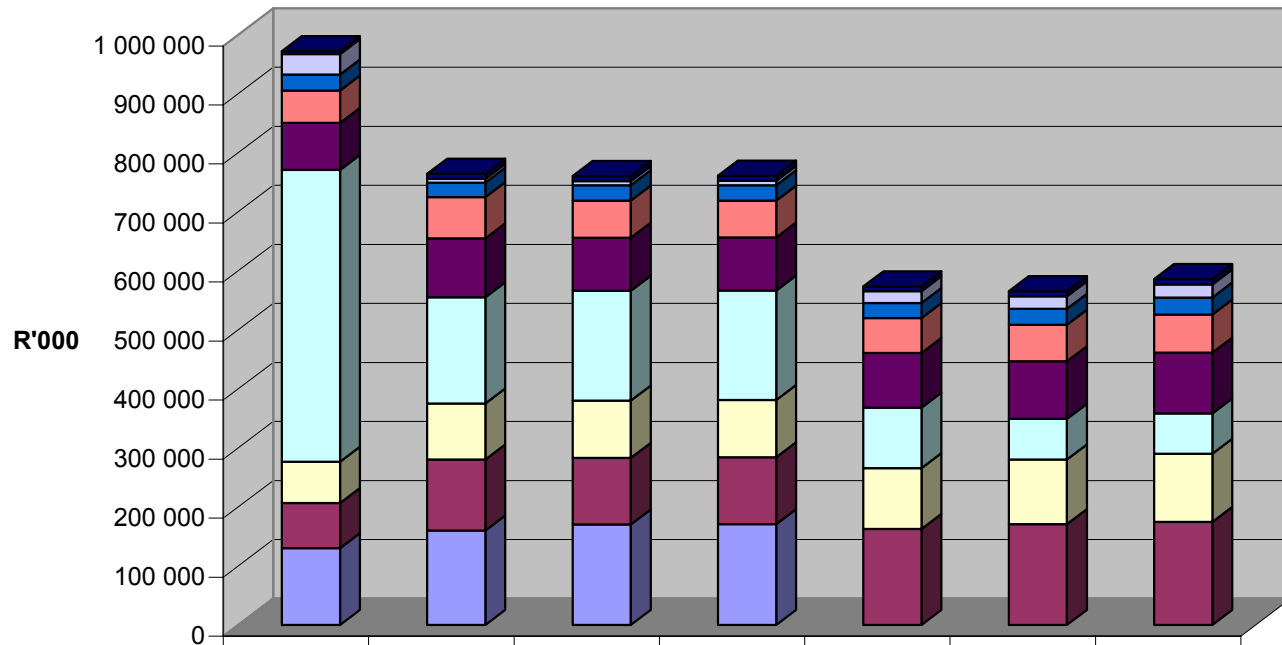
Notes:

1. This table and the associated charts are examples only.
2. The sources listed here have been adapted from the specimen statement of financial performance.
3. Note that there is **no** classification for **"other"** in this example. Sources not applicable have been deleted. Municipalities should ensure that all sources are displayed separately except where other is used as per note 5 below.
4. If other is used, each individual source must be less than or equal to 2.5% of total revenue by source to ensure greatest possible information content for users.
5. Note that in this example Regional Service levies have ceased for 2006/07 onwards and grants and subsidies have been increased appropriately.
6. Refer Charts ('Rev by Major Source' and 'Rev by Minor Source' - pages 21 & 22). This example split shows smaller amounts on a separate chart to ensure that all classifications are explained without distorting the main chart.
7. Note that totals agree to totals on Annexure 4, Table 1 reconciling the IDP and Budget for Revenue (page 35)
8. The example charts displayed show the relevant data tables ranked in order from highest to lowest (bottom to top) in the same way the chart displays the stacked columns from highest to lowest.

Revenue by Major Source (see next chart for break down of other)



Revenue By Minor Source (break down of other from previous chart)



	04/05 Aud	05/06 Bud	05/06 Adj	05/06 Est	06/07 Bud	07/08 Proj	08/09 Proj
■ Licenses and permits	5 127	8 800	8 700	8 663	8 231	8 643	9 075
■ Interest earned - outstanding debtors	34 554	6 500	7 000	7 276	20 000	21 000	22 050
■ Other service charges	27 275	24 000	26 000	25 948	25 694	27 236	28 870
■ Sanitation tariffs	54 504	70 000	63 000	62 860	58 784	61 723	64 810
■ Refuse tariffs	79 854	100 000	90 000	89 533	93 067	97 720	102 606
■ Interest earned - external investments	494 128	180 000	186 000	185 594	102 122	68 954	68 646
■ Rental of facilities and equipment	70 337	95 000	97 000	97 157	103 074	109 430	115 428
■ Fines	76 084	120 000	113 000	113 403	162 575	170 709	174 399
■ Regional service levies	130 189	160 000	170 000	170 472	0	0	0

EXAMPLE TABLE 2 OPERATING EXPENDITURE BY VOTE	Preceding Year 2004/05	Current Year 2005/06			Medium Term Revenue and Expenditure Framework		
	Audited Actual R'000 A	Approved Budget R'000 B	Adjusted Budget R'000 C	Full Year Forecast R'000 D	Budget Year 2006/07	Budget Year +1 2007/08	Budget Year +2 2008/09
					Budget R'000 E	Budget R'000 F	Budget R'000 G
Executive & Council	500 000	578 400	577 904	577 644	592 637	619 957	657 858
Finance & Admin	800 000	925 440	924 647	924 230	948 219	991 932	1 052 572
Planning & Development	15 172	17 551	17 536	17 528	17 983	18 812	19 962
Health	525 286	607 651	607 130	606 856	622 608	651 310	691 127
Community & Social Services	826 298	955 861	955 042	954 612	979 390	1 024 539	1 087 173
Housing	352 596	407 883	407 533	407 350	417 923	437 189	463 916
Public Safety	800 000	925 440	924 647	924 230	948 219	991 932	1 052 572
Sport and Recreation	500 000	578 400	577 904	577 644	592 637	619 957	657 858
Environmental Protection	60 000	69 408	69 349	69 317	71 116	74 395	78 943
Waste Management	300 000	347 040	346 743	346 586	355 582	371 974	394 715
Waste Water Management	156 776	181 359	181 203	181 122	185 823	194 389	206 273
Road Transport	116 318	134 556	134 441	134 380	137 868	144 224	153 041
Water	1 000 000	1 156 800	1 155 809	1 155 288	1 185 274	1 239 915	1 315 716
Electricity	2 118 181	2 450 312	2 448 212	2 447 108	2 510 626	2 626 364	2 786 924
OPERATING EXPENDITURE BY VOTE	8 070 627	9 336 100	9 328 100	9 323 895	9 565 907	10 006 889	10 618 649

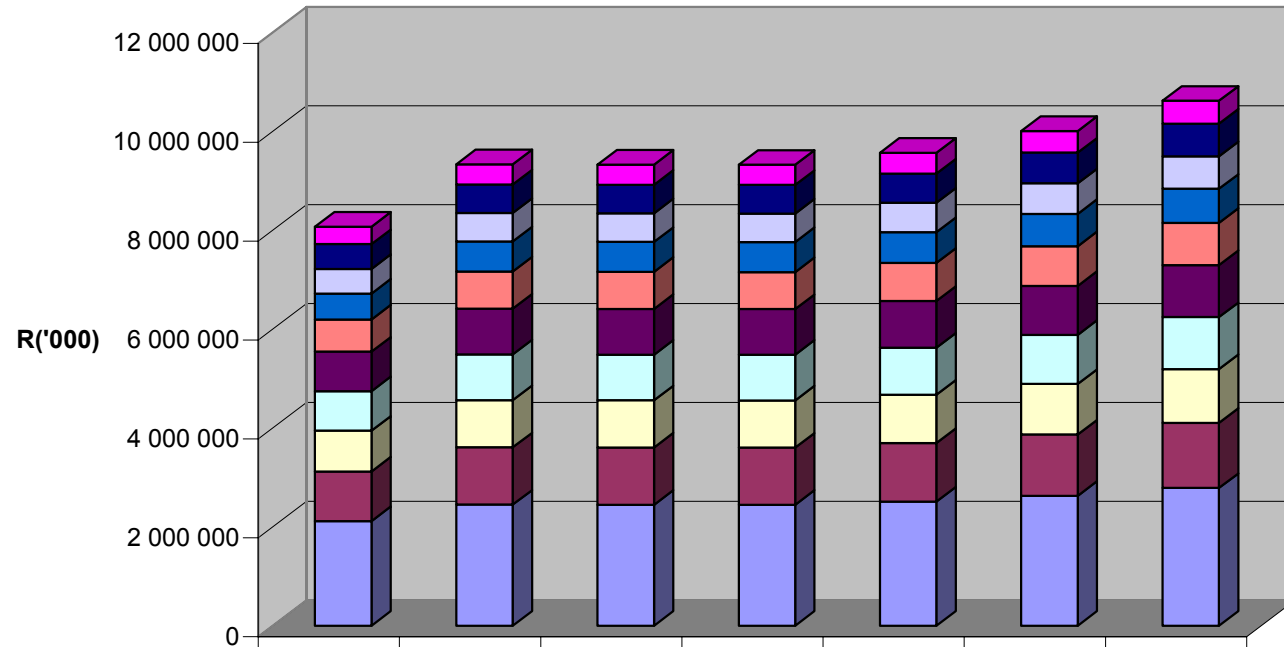
Column Definitions:

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- B. The original budget approved by council for the 2005/06 budget year.
- C. The budget for 2005/06 budget year as adjusted by council resolution in terms of section 28 of the MFMA.
- D. An estimate of final actual figures (pre audit) for the 2005/06 budget year at the point in time of preparing the budget for the 2006/07 budget year. This may differ from C.
- E. The amount to be appropriated for the 2006/07 budget year.
- F. The indicative projection for 2007/08
- G. The indicative projection for 2008/09

Notes:

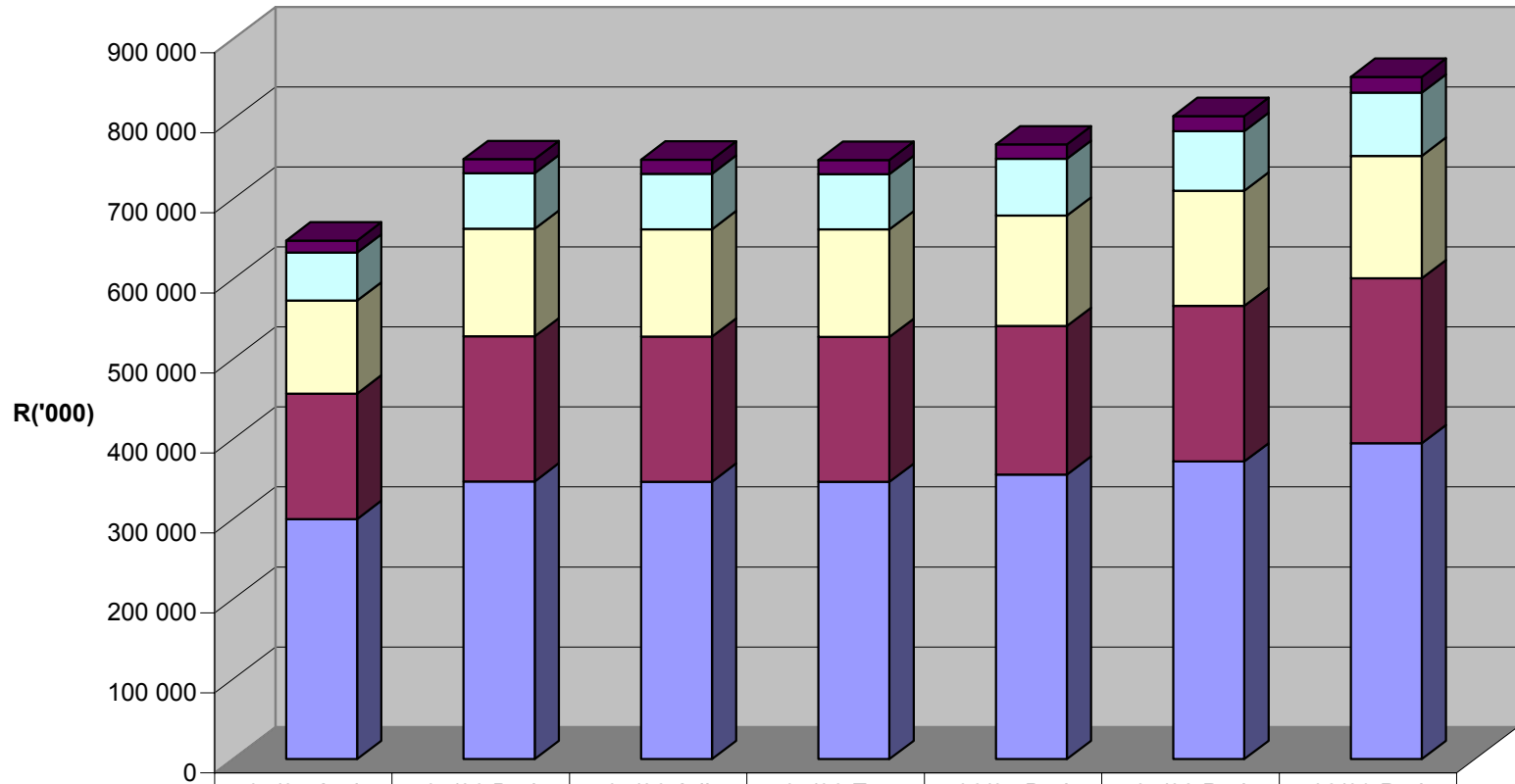
1. This table and the associated charts are examples only.
2. The votes listed here are the GFS functions (i.e. in this example the municipality has elected to show the GFS functions as its votes and is therefore not required to complete and approve schedule 2(a).
3. All budgeted amounts must be classified under a particular vote. **Do not use "other"**. Where the function falls within the GFS function "Other", Use the GFS sub-function classification.
4. Refer Charts (Opex by Major vote and Opex by Minor Vote - pages 24 & 25). This example split shows smaller amounts on a separate chart to ensure that all classifications are explained without distorting the main chart.
5. Note that totals agree to totals on Annexure 4, Table 2 reconciling the IDP and Budget for Operating Expenditure (page 36)
6. The example charts displayed show the relevant data tables ranked in order from highest to lowest (bottom to top) in the same way the chart displays the stacked columns from highest to lowest.

Operating Expenditure by Major Vote (see next chart for breakdown of other)



	04/05 Aud	05/06 Bud	05/06 Adj	05/06 Est	06/07 Bud	07/08 Proj	08/09 Proj
Housing	352 596	407 883	407 533	407 350	417 923	437 189	463 916
Sport and Recreation	500 000	578 400	577 904	577 644	592 637	619 957	657 858
Executive & Council	500 000	578 400	577 904	577 644	592 637	619 957	657 858
Health	525 286	607 651	607 130	606 856	622 608	651 310	691 127
Other	648 266	749 914	749 271	748 933	768 373	803 794	852 933
Public Safety	800 000	925 440	924 647	924 230	948 219	991 932	1 052 572
Finance & Admin	800 000	925 440	924 647	924 230	948 219	991 932	1 052 572
Community & Social Services	826 298	955 861	955 042	954 612	979 390	1 024 539	1 087 173
Water	1 000 000	1 156 800	1 155 809	1 155 288	1 185 274	1 239 915	1 315 716
Electricity	2 118 181	2 450 312	2 448 212	2 447 108	2 510 626	2 626 364	2 786 924

Operating Expenditure by Minor Vote (breakdown of other from previous chart)



	04/05 Aud	05/06 Bud	05/06 Adj	05/06 Est	06/07 Bud	07/08 Proj	08/09 Proj
■ Planning & Development	15 172	17 551	17 536	17 528	17 983	18 812	19 962
■ Environmental Protection	60 000	69 408	69 349	69 317	71 116	74 395	78 943
■ Road Transport	116 318	134 556	134 441	134 380	137 868	144 224	153 041
■ Waste Water Management	156 776	181 359	181 203	181 122	185 823	194 389	206 273
■ Waste Management	300 000	347 040	346 743	346 586	355 582	371 974	394 715

EXAMPLE TABLE 3 CAPITAL EXPENDITURE BY VOTE	Preceding Year 2004/05	Current Year 2005/06			Medium Term Revenue and Expenditure Framework		
	Audited Actual R'000 A	Approved Budget R'000 B	Adjusted Budget R'000 C	Full Year Forecast R'000 D	Budget Year 2006/07	Budget Year +1 2007/08	Budget Year +2 2008/09
					Budget R'000 E	Budget R'000 F	Budget R'000 G
Executive & Council	500	700	550	550	750	850	900
Finance & Admin	2 000	2 800	2 200	2 200	3 000	3 400	3 600
Planning & Development	800	1 120	880	880	1 200	1 360	1 440
Health	30 000	42 000	33 000	33 000	45 000	51 000	54 000
Community & Social Services	30 000	42 000	33 000	33 000	45 000	51 000	54 000
Housing	50 000	70 000	55 000	55 000	75 000	85 000	90 000
Public Safety	50 000	70 000	55 000	55 000	75 000	85 000	90 000
Sport and Recreation	200 000	270 000	255 000	255 000	275 000	285 000	290 000
Environmental Protection	300	420	330	330	450	510	540
Waste Management	80 000	112 000	88 000	88 000	120 000	136 000	144 000
Waste Water Management	150 000	220 000	130 000	130 000	250 000	310 000	340 000
Road Transport	110 000	154 000	121 000	121 000	165 000	187 000	198 000
Water	100 000	140 000	110 000	110 000	150 000	170 000	180 000
Electricity	196 400	274 960	216 040	216 040	294 600	333 880	353 520
CAPITAL EXPENDITURE BY VOTE	1 000 000	1 400 000	1 100 000	1 100 000	1 500 000	1 700 000	1 800 000

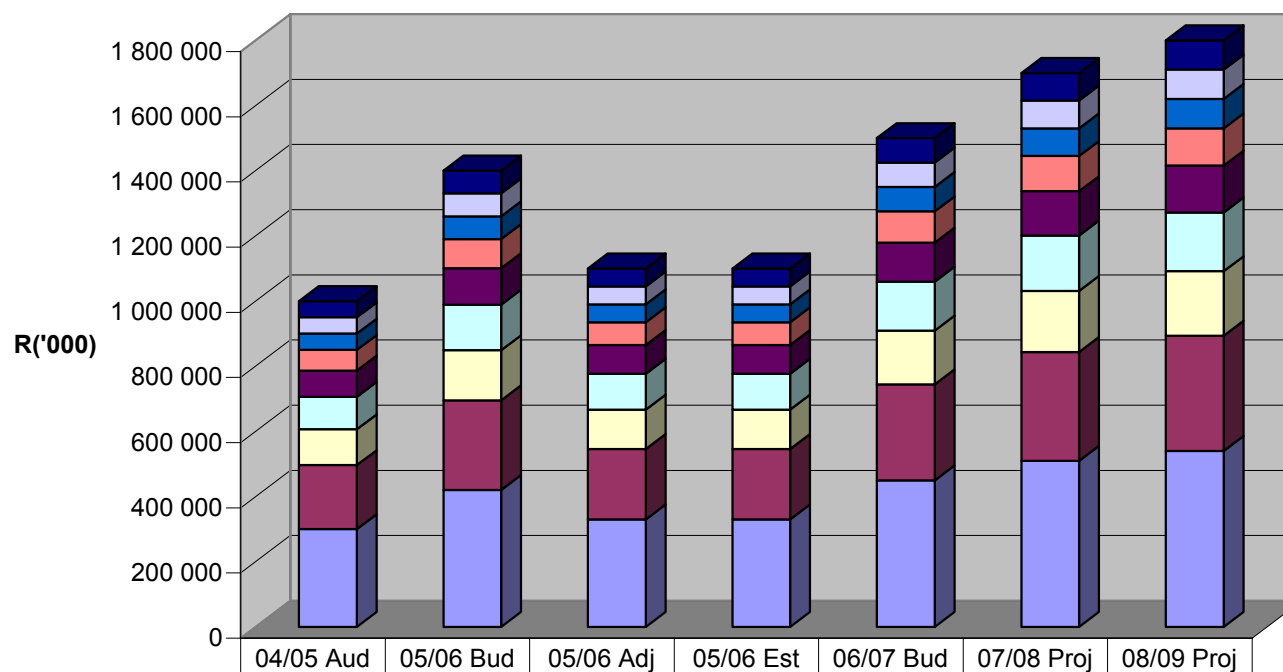
Column Definitions:

- A. The audited actual for 2004/05 as per the audited financial statements. If audit figures are not available for 2004/05, pre audit figures must be provided with a note stating these are pre audit.
B. The original budget approved by council for the 2005/06 budget year.
C. The budget for 2005/06 budget year as adjusted by council resolution in terms of section 28 of the MFMA.
D. An estimate of final actual figures (pre audit) for the 2005/06 budget year at the point in time of preparing the budget for the 2006/07 budget year. This may differ from C.
E. The amount to be appropriated for the 2006/07 budget year.
F. The indicative projection for 2007/08
G. The indicative projection for 2008/09

Notes:

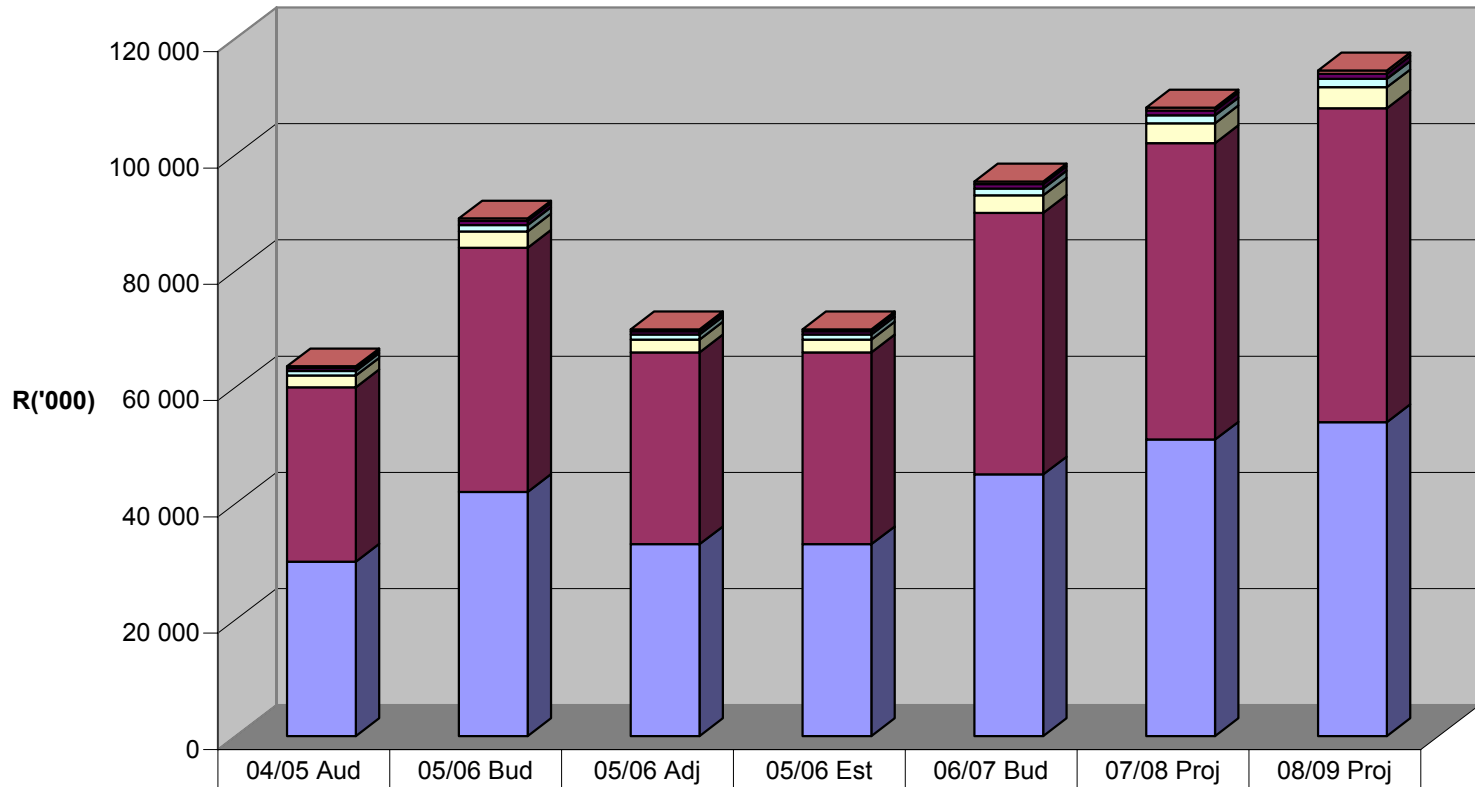
1. This table and the associated charts are examples only.
2. The votes listed here are the GFS functions (i.e. in this example the municipality has elected to show the GFS functions as its votes and is therefore not required to complete and approve schedule 3(a).
3. All budgeted amounts must be classified under a particular vote. **Do not use "other"**. Where the function falls within the GFS function "Other", Use the GFS sub-function classification.
4. Refer Charts (Capex by Major Vote and Capex by Minor Vote - pages 27 & 28). This example split shows smaller amounts on a separate chart to ensure that all classifications are explained without distorting the main chart.
5. Note that totals agree to totals on Annexure 4, Table 3 reconciling the IDP and Budget for Capital Expenditure (page 37)
6. The example charts displayed show the relevant data tables ranked in order from highest to lowest (bottom to top) in the same way the chart displays the stacked columns from highest to lowest.

Capital Expenditure by Major Vote (see next chart for breakdown of other)



	04/05 Aud	05/06 Bud	05/06 Adj	05/06 Est	06/07 Bud	07/08 Proj	08/09 Proj
■ Sport and Recreation	50 000	70 000	55 000	55 000	75 000	85 000	90 000
■ Public Safety	50 000	70 000	55 000	55 000	75 000	85 000	90 000
■ Housing	50 000	70 000	55 000	55 000	75 000	85 000	90 000
■ Other	63 600	89 040	69 960	69 960	95 400	108 120	114 480
■ Waste Management	80 000	112 000	88 000	88 000	120 000	136 000	144 000
■ Water	100 000	140 000	110 000	110 000	150 000	170 000	180 000
■ Road Transport	110 000	154 000	121 000	121 000	165 000	187 000	198 000
■ Electricity	196 400	274 960	216 040	216 040	294 600	333 880	353 520
■ Waste Water Management	300 000	420 000	330 000	330 000	450 000	510 000	540 000

Capital Expenditure by Minor Vote (breakdown of other from previous chart)



	04/05 Aud	05/06 Bud	05/06 Adj	05/06 Est	06/07 Bud	07/08 Proj	08/09 Proj
Environmental Protection	300	420	330	330	450	510	540
Executive & Council	500	700	550	550	750	850	900
Planning & Development	800	1 120	880	880	1 200	1 360	1 440
Finance & Admin	2 000	2 800	2 200	2 200	3 000	3 400	3 600
Community & Social Services	30 000	42 000	33 000	33 000	45 000	51 000	54 000
Health	30 000	42 000	33 000	33 000	45 000	51 000	54 000

EXAMPLE TABLE 4 CAPITAL FUNDING BY SOURCE	Preceding Year 2004/05	Current Year 2005/06			Medium Term Revenue and Expenditure Framework		
	Audited Actual R'000 A	Approved Budget R'000 B	Adjusted Budget R'000 C	Full Year Forecast R'000 D	Budget Year 2006/07	Budget Year +1 2007/08	Budget Year +2 2008/09
					Budget R'000 E	Budget R'000 F	Budget R'000 G
National Government							
Amounts allocated / gazetted for that year	350000	450000	300000	300000	500000	550000	600000
Amounts carried over from previous years	50000	0	50000	50000	0	0	0
Total Grants & Subsidies - National Government	400000	450000	350000	350000	500000	550000	600000
Provincial Government							
Amounts allocated / gazetted for that year	200000	500000	350000	350000	500000	550000	600000
Amounts carried over from previous years	50000	0	50000	50000	0	0	0
Total Grants & Subsidies - Provincial Government	250000	500000	400000	400000	500000	550000	600000
District Municipality							
Amounts allocated for that year	0	0	0	0	0	0	0
Amounts carried over from previous years	0	0	0	0	0	0	0
Total Grants & Subsidies - District Municipalities	0	0	0	0	0	0	0
Total Government Grants & Subsidies	650000	950000	750000	750000	1000000	1100000	1200000
Public Contributions & Donations	0	0	0	0	0	0	0
Accumulated Surplus (Own Funds)	50000	50000	50000	50000	50000	50000	50000
External Loans	300000	400000	300000	300000	450000	550000	550000
TOTAL FUNDING OF CAPITAL EXPENDITURE	1000000	1400000	1100000	1100000	1500000	1700000	1800000

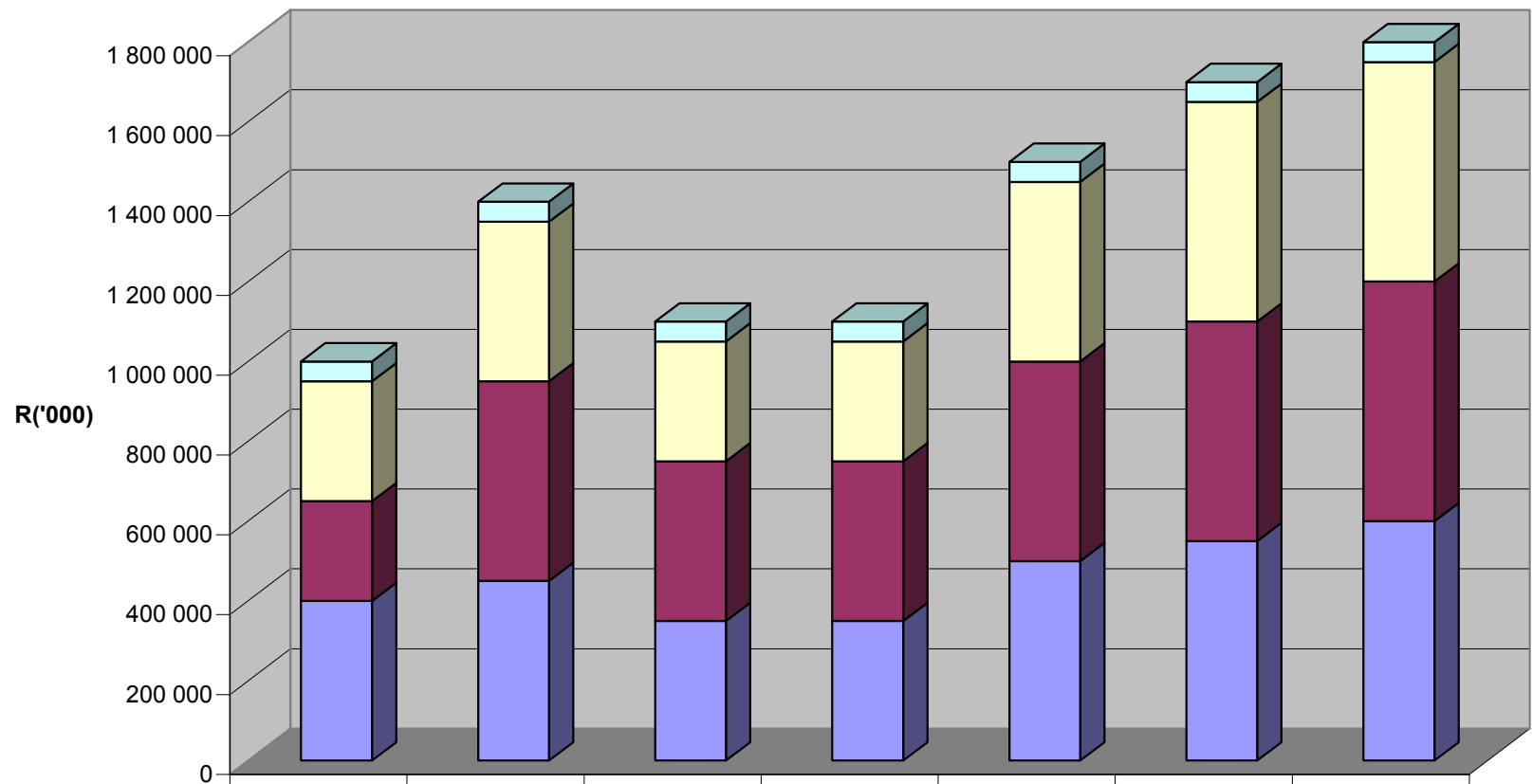
Column Definitions:

- A. The audited actual for 2004/05 as per the audited financial statements. If audit figures are not available for 2004/05, pre audit figures must be provided with a note stating these are pre audit.
- B. The original budget approved by council for the 2005/06 budget year.
- C. The budget for 2005/06 budget year as adjusted by council resolution in terms of section 28 of the MFMA.
- D. An estimate of final actual figures (pre audit) for the 2005/06 budget year at the point in time of preparing the budget for the 2006/07 budget year. This may differ from C.
- E. The amount to be appropriated for the 2006/07 budget year.
- F. The indicative projection for 2007/08
- G. The indicative projection for 2008/09

Notes:

1. All municipalities must follow the format above for standardisation.
2. The figures and resulting chart on page 30 are examples only.
3. Note the use of zeros where no amounts applicable.
4. Total Capital Expenditure agrees to Total Funding (see page 26)
5. The example charts displayed show the relevant data tables ranked in order from highest to lowest (bottom to top) in the same way the chart displays the stacked columns from highest to lowest.

Capital Funding by Source



	04/05 Aud	05/06 Bud	05/06 Adj	05/06 Est	06/07 Bud	07/08 Proj	08/09 Proj
Accumulated Surplus	50 000	50 000	50 000	50 000	50 000	50 000	50 000
External Loans	300 000	400 000	300 000	300 000	450 000	550 000	550 000
Grants - Provincial Government	250 000	500 000	400 000	400 000	500 000	550 000	600 000
Grants - National Government	400 000	450 000	350 000	350 000	500 000	550 000	600 000

EXAMPLE TABLE 5 SUMMARY OF REV & EXP BY VOTE	2006/07							2007/08							2008/09						
	Appropriations			Funding			Surplus / (Deficit) R'000	Appropriations			Funding			Surplus / (Deficit) R'000	Appropriations			Funding			Surplus / (Deficit) R'000
	Capital R'000	Operating R'000	Total R'000	Own Source R'000	External R'000	Total R'000		Capital R'000	Operating R'000	Total R'000	Own Source R'000	External R'000	Total R'000		Capital R'000	Operating R'000	Total R'000	Own Source R'000	External R'000	Total R'000	
Executive & Council																					
Finance & Admin																					
Planning and Development																					
Health																					
Community & Social Services																					
Housing																					
Public Safety																					
Sport & Recreation																					
Environmental Protection																					
Waste Management																					
Waste Water Management																					
Road Transport																					
Water																					
Electricity																					
TOTAL							0							0							0

Notes:

1. The votes listed here are the GFS functions (i.e. in this example the municipality has elected to show the GFS functions as its votes and is therefore not required to complete and approve schedule 2(a) and 3(a).
2. All budgeted amounts must be classified under a particular vote. **Do not use "other"**. Where the function falls within the GFS function "Other", Use the GFS sub-function classification.
3. Capital appropriations must agree to Table 3 (Capex by Vote - page 26)
4. Operating appropriations must agree to Table 2 (Opex by Vote- page 23)
5. Funding by vote will depend upon the particular responsibilities within each municipality. While some votes will operate with deficits, others will operate with surpluses.
6. In terms of an overall funded budget (balanced budget) the municipality must comply with section 18(1) of MFMA. Provide a note to that effect.

EXAMPLE TABLE 6 OPERATING EXPENDITURE BY TYPE	Preceding Year 2004/05	Current Year 2005/06			Medium Term Revenue and Expenditure Framework		
		Approved Budget R'000 B	Adjusted Budget R'000 C	Full Year Forecast R'000 D	Budget Year 2006/07	Budget Year +1 2007/08	Budget Year +2 2008/09
	Audited Actual R'000 A				Budget R'000 E	Budget R'000 F	Budget R'000 G
Operating Expenditure by Type							
Employee related costs	2 454 260	2 650 000	2 650 000	2 647 318	2 890 832	3 052 505	3 236 757
Remuneration of Councillors	32 478	35 100	35 100	35 052	39 272	41 628	44 126
Bad debts	442 952	250 000	270 000	271 629	139 584	153 554	180 664
Collection costs	15 119	15 000	15 000	15 112	22 229	23 799	25 493
Depreciation	783 375	1 025 000	1 025 000	1 028 111	840 223	886 858	935 327
Repairs and maintenance	787 630	990 000	970 000	967 591	1 022 251	1 075 440	1 141 178
Interest paid	503 287	465 000	462 000	461 763	533 049	488 927	482 833
Bulk purchases - Electricity	1 530 197	1 610 000	1 605 000	1 604 333	1 694 863	1 796 893	1 905 066
Bulk purchases - Water	690 844	745 000	745 000	745 502	727 179	770 809	824 766
Contracted services	229 225	196 000	196 000	195 508	231 020	243 864	258 301
Grants and subsidies paid	0	75 000	75 000	74 815	86 949	91 247	95 759
Advertising	60 075	127 891	127 891	127 607	133 731	138 019	148 711
Audit fees	38 509	81 981	81 981	81 799	85 725	88 473	95 327
Bank charges	41 077	87 447	87 447	87 253	91 440	94 372	101 683
Communications	91 909	195 662	195 662	195 228	204 597	211 157	227 515
Insurance	233 110	496 260	496 260	495 159	518 923	535 559	577 049
Legal fees	79 073	168 335	168 335	167 961	176 022	181 665	195 739
Seminar / Conferences	31 834	67 771	67 771	67 621	70 866	73 138	78 804
Travel and Accommodation	25 673	54 654	54 654	54 533	57 150	58 982	63 552
Total Operating Expenditure By Type	8 070 627	9 336 100	9 328 100	9 323 895	9 565 907	10 006 889	10 618 649

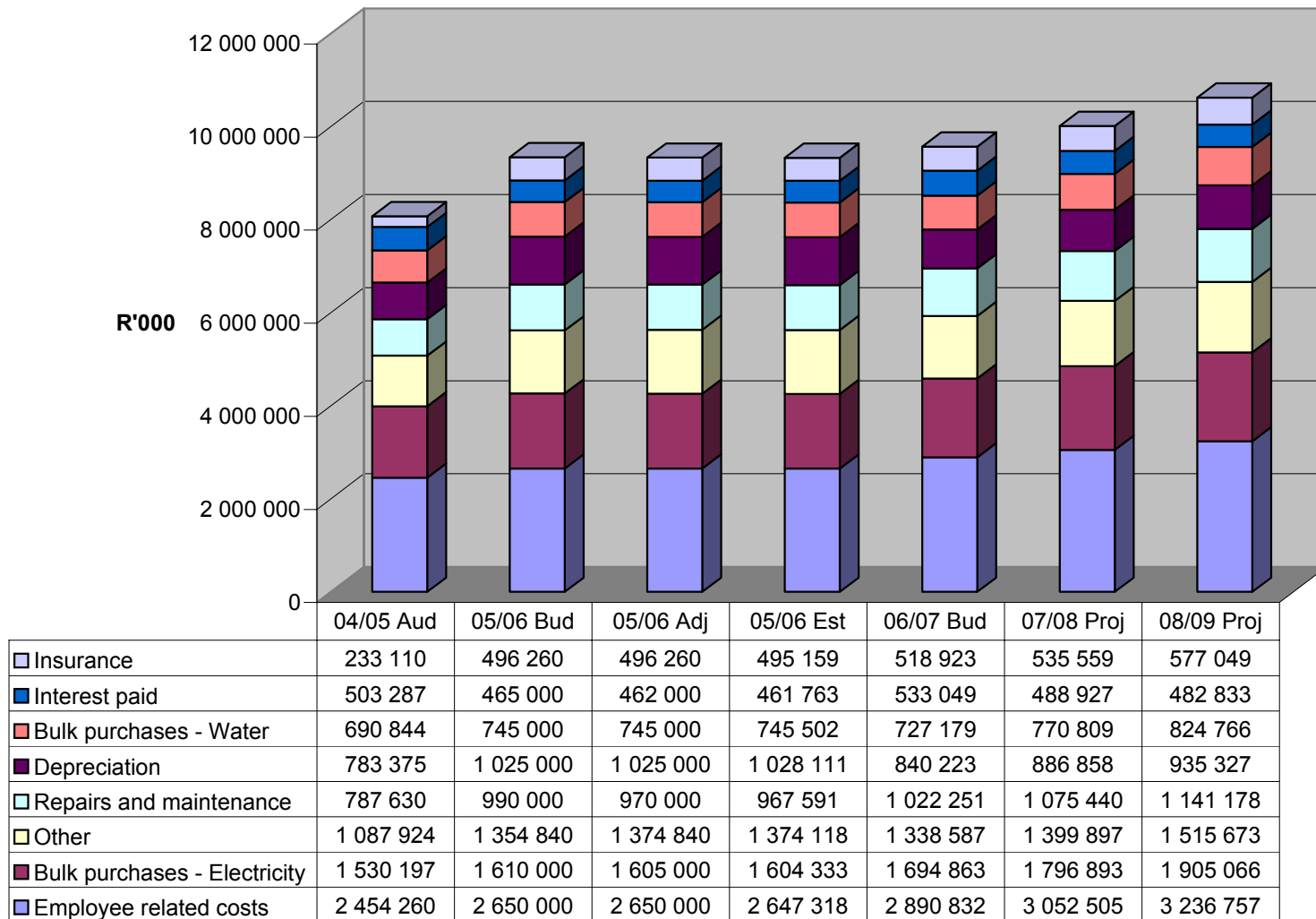
Column Definitions:

- The audited actual for 2004/05 as per the audited financial statements. If audit figures are not available for 2004/05, pre audit figures must be provided with a note stating these are pre audit.
- The original budget approved by council for the 2005/06 budget year.
- The budget for 2005/06 budget year as adjusted by council resolution in terms of section 28 of the MFMA.
- An estimate of final actual figures (pre audit) for the 2005/06 budget year at the point in time of preparing the budget for the 2006/07 budget year. This may differ from C.
- The amount to be appropriated for the 2006/07 budget year.
- The indicative projection for 2007/08
- The indicative projection for 2008/09

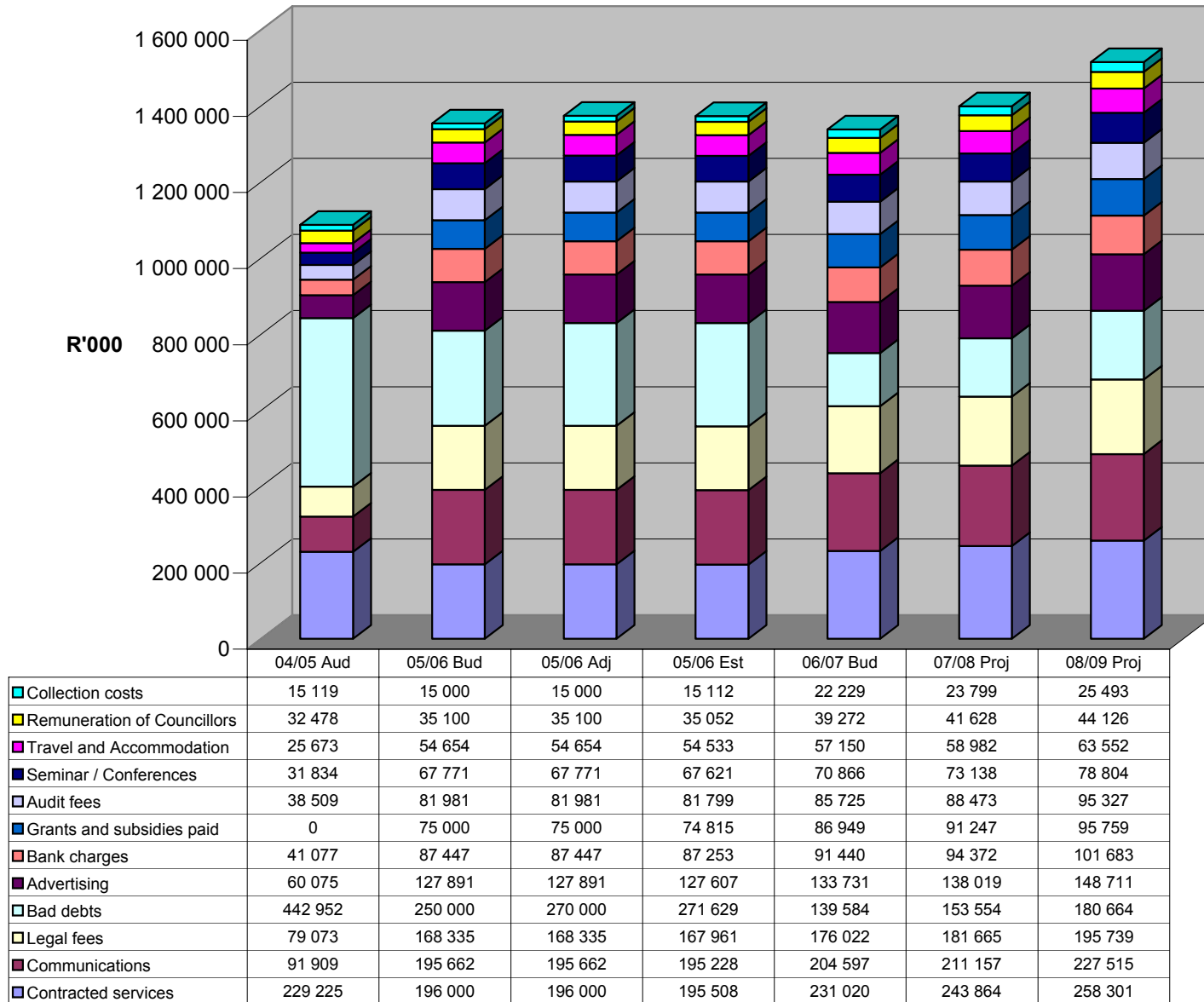
Notes:

- The line items are as per the specimen financial statements. However, for useful information to be provided "general expenses" must be broken down further. This example shows example items comprising "general expenses".
- Refer to charts on pages 33 and 34.
- This agrees to Operating expenditure by Vote shown on page 23 and Operating expenditure classified by IDP goals etc on page 36.
- The example charts displayed show the relevant data tables ranked in order from highest to lowest (bottom to top) in the same way the chart displays the stacked columns from highest to lowest.

Operating Expenditure by Major Type (see next chart for break down of other)



Operating Expenditure by Minor Type (break down of other from previous chart)



SUPPORTING TABLE 1 RECONCILIATION OF IDP & BUDGET - REV		Preceding Year 2004/05	Current Year 2005/06				Medium Term Revenue and Expenditure Framework		
						Budget Year 2006/07	Budget Year +1 2007/08	Budget Year +2 2008/09	
		Audited Actual R'000 A	Approved Budget R'000 B	Adjusted Budget R'000 C	Full Year Forecast R'000 D	Budget R'000 E	Budget R'000 F	Budget R'000 G	
Strategic Objective	Action Plan								
Sustainable Services	Water	1 150 000	1 436 103	1 366 692	1 367 881	1 450 916	1 533 718	1 659 980	
Sustainable Services	Electricity	2 750 000	3 446 598	3 177 599	3 180 406	3 376 503	3 572 049	3 870 231	
Sustainable Services	Sanitation	135 000	173 562	164 206	164 367	175 558	186 719	203 736	
Sustainable Services	Waste Management	183 000	228 528	217 482	217 672	230 885	244 061	264 153	
Sustainable Services	Health	25 000	31 220	29 711	29 737	31 542	33 342	36 087	
Sustainable Services	Community	21 000	27 468	25 899	25 926	27 803	29 675	32 530	
Infrastructure	Roads & Stormwater	135 000	163 610	156 669	156 788	165 092	173 372	185 998	
Infrastructure	Cemeteries	5 000	5 000	5 000	5 000	5 000	5 000	5 000	
Infrastructure	Housing	52 000	64 937	61 798	61 852	65 607	69 351	75 060	
Infrastructure	Sport Stadium 2010	0	10 000	10 000	10 000	20 000	20 000	20 000	
Infrastructure	Open Space	0	0	0	0	0	0	0	
Infrastructure	Public Amenities	0	0	0	0	0	0	0	
Good Governance	Support Services / Fleet	0	0	0	0	0	0	0	
Good Governance	Integrated Planning	15 000	18 732	17 826	17 842	18 925	20 005	21 652	
Good Governance	Financial Management	3 440 195	4 296 064	4 188 424	4 192 067	4 446 539	4 700 298	5 087 247	
Good Governance	Human Resources Management	0	0	0	0	0	0	0	
Environmental Management	Land Management	8 000	9 990	9 507	9 516	10 093	10 669	11 548	
Economic Development	Local Economic Development	0	0	0	0	0	0	0	
Social Development	Culture & Sport	50 000	40 000	40 000	40 000	30 000	30 000	30 000	
Social Development	Public Participation	0	0	0	0	0	0	0	
Safety & Security	Road Safety	2 000	3 000	2 700	2 700	2 800	3 000	3 300	
Safety & Security	Fire & Rescue	4 000	4 488	3 787	3 795	4 217	4 337	4 535	
Safety & Security	Disaster Management	2 000	2 500	2 700	2 700	2 800	3 000	3 300	
Safety & Security	Security	2 000	2 500	2 700	2 700	2 800	3 000	3 300	
TOTAL OPERATING REVENUE		7 979 195	9 964 300	9 482 700	9 490 949	10 067 080	10 641 596	11 517 657	

Column Definitions:

- The audited actual for 2004/05 as per the audited financial statements. If audit figures are not available for 2004/05, pre audit figures must be provided with a note stating these are pre audit.
- The original budget approved by council for the 2005/06 budget year.
- The budget for 2005/06 budget year as adjusted by council resolution in terms of section 28 of the MFMA.
- An estimate of final actual figures (pre audit) for the 2005/06 budget year at the point in time of preparing the budget for the 2006/07 budget year. This may differ from C.
- The amount to be appropriated for the 2006/07 budget year.
- The indicative projection for 2007/08
- The indicative projection for 2008/09

Notes:

- The strategic objectives and action plans listed here are an example only. Each municipality must list their own as per their IDP.
- Totals agree to totals of Revenue by Source (see Annexure 3, Table 1 - Revenue by Source on page 20)
- Zeros are used where no amount is applicable

SUPPORTING TABLE 2 RECONCILIATION OF IDP & BUDGET - OPEX		Preceding Year 2004/05	Current Year 2005/06			Medium Term Revenue and Expenditure Framework		
		Audited Actual R'000 A	Approved Budget R'000 B	Adjusted Budget R'000 C	Full Year Forecast R'000 D	Budget Year 2006/07	Budget Year +1 2007/08	Budget Year +2 2008/09
						Budget R'000 E	Budget R'000 F	Budget R'000 G
Strategic Objective	Action Plan							
Sustainable Services	Water	1 000 000	1 156 800	1 155 809	1 155 288	1 185 274	1 239 915	1 315 716
Sustainable Services	Electricity	2 118 181	2 450 312	2 448 212	2 447 108	2 510 626	2 626 364	2 786 924
Sustainable Services	Sanitation	156 776	181 359	181 203	181 122	185 823	194 389	206 273
Sustainable Services	Waste Management	300 000	347 040	346 743	346 586	355 582	371 974	394 715
Sustainable Services	Health	525 286	607 651	607 130	606 856	622 608	651 310	691 127
Sustainable Services	Community	495 779	573 517	573 025	572 767	551 634	614 723	652 304
Infrastructure	Roads & Stormwater	116 318	134 556	134 441	134 380	137 868	144 224	153 041
Infrastructure	Cemeteries	82 630	95 586	95 504	95 461	91 939	102 454	108 717
Infrastructure	Housing	352 596	407 883	407 533	407 350	417 923	437 189	463 916
Infrastructure	Sport Stadium 2010	50 000	100 000	100 000	100 000	200 000	300 000	300 000
Infrastructure	Open Space	50 000	0	0	0	0	0	0
Infrastructure	Public Amenities	82 630	95 586	95 504	95 461	91 939	102 454	108 717
Good Governance	Support Services / Fleet	80 000	92 544	92 465	92 426	94 822	99 193	105 257
Good Governance	Integrated Planning	15 171	17 550	17 536	17 526	17 984	18 812	19 961
Good Governance	Financial Management	400 000	462 720	462 324	462 115	474 110	495 966	526 286
Good Governance	Human Resources Management	240 000	277 632	277 394	277 269	284 466	297 580	315 772
Good Governance	Executive and Council	500 000	578 400	577 904	577 644	592 637	619 957	657 858
Environmental Management	Land Management	60 000	69 408	69 349	69 317	71 116	74 395	78 943
Economic Development	Local Economic Development	80 000	92 544	92 465	92 423	94 822	99 193	105 257
Social Development	Culture & Sport	400 000	478 400	477 904	477 644	392 637	319 957	357 858
Social Development	Public Participation	165 260	191 172	191 008	190 922	183 878	204 908	217 435
Safety & Security	Road Safety	200 000	200 000	200 000	200 000	200 000	200 000	200 000
Safety & Security	Fire & Rescue	200 000	325 440	324 647	324 230	348 219	391 932	452 572
Safety & Security	Disaster Management	200 000	200 000	200 000	200 000	200 000	200 000	200 000
Safety & Security	Security	200 000	200 000	200 000	200 000	200 000	200 000	200 000
TOTAL OPERATING EXPENDITURE		8 070 627	9 336 100	9 328 100	9 323 895	9 505 907	10 006 889	10 618 649

Column Definitions:

- A. The audited actual for 2004/05 as per the audited financial statements. If audit figures are not available for 2004/05, pre audit figures must be provided with a note stating these are pre audit.
B. The original budget approved by council for the 2005/06 budget year.
C. The budget for 2005/06 budget year as adjusted by council resolution in terms of section 28 of the MFMA.
D. An estimate of final actual figures (pre audit) for the 2005/06 budget year at the point in time of preparing the budget for the 2006/07 budget year. This may differ from C.
E. The amount to be appropriated for the 2006/07 budget year.
F. The indicative projection for 2007/08
G. The indicative projection for 2008/09

Notes:

1. The strategic objectives and action plans listed here are an example only. Each municipality must list their own as per their IDP.
2. Totals agree to totals of Operating Expenditure by Vote (see Annexure 3, Table 2 - Operating Expenditure by Vote on page 23)
3. Zeros are used where no amounts are applicable

SUPPORTING TABLE 3 RECONCILIATION OF IDP & BUDGET - CAPEX		Preceding Year 2004/05	Current Year 2005/06			Medium Term Revenue and Expenditure Framework		
		Audited Actual R'000 A	Approved Budget R'000 B	Adjusted Budget R'000 C	Full Year Forecast R'000 D	Budget Year 2006/07	Budget Year +1 2007/08	Budget Year +2 2008/09
						Budget R'000 E	Budget R'000 F	Budget R'000 G
Strategic Objective	Action Plan							
Sustainable Services	Water	100 000	140 000	110 000	110 000	150 000	170 000	180 000
Sustainable Services	Electricity	196 400	274 960	216 040	216 040	294 600	333 880	353 520
Sustainable Services	Sanitation	150 000	220 000	130 000	130 000	250 000	310 000	340 000
Sustainable Services	Waste Management	80 000	112 000	88 000	88 000	120 000	136 000	144 000
Sustainable Services	Health	30 000	42 000	33 000	33 000	45 000	51 000	54 000
Sustainable Services	Community	12 000	16 800	13 200	13 200	18 000	20 400	21 600
Infrastructure	Roads & Stormwater	110 000	154 000	121 000	121 000	165 000	187 000	198 000
Infrastructure	Cemeteries	6 000	8 400	6 600	6 600	9 000	10 200	10 800
Infrastructure	Housing	50 000	70 000	55 000	55 000	75 000	85 000	90 000
Infrastructure	Sport Stadium 2010	180 000	250 000	250 000	250 000	255 000	265 000	270 000
Infrastructure	Open Space	10 000	10 000	0	0	10 000	10 000	10 000
Infrastructure	Public Amenities	9 000	12 600	9 900	9 900	13 500	15 300	16 200
Good Governance	Support Services / Fleet	1 000	1 400	1 100	1 100	1 500	1 700	1 800
Good Governance	Integrated Planning	800	1 120	880	880	1 200	1 360	1 440
Good Governance	Financial Management	600	840	660	660	900	1 020	1 080
Good Governance	Human Resources Management	200	280	220	220	300	340	360
Good Governance	Executive and Council	500	700	550	550	750	850	900
Environmental Management	Land Management	300	420	330	330	450	510	540
Economic Development	Local Economic Development	200	280	220	220	300	340	360
Social Development	Culture & Sport	10 000	10 000	5 000	5 000	10 000	10 000	10 000
Social Development	Public Participation	3 000	4 200	3 300	3 300	4 500	5 100	5 400
Safety & Security	Road Safety	10 000	20 000	10 000	10 000	20 000	20 000	20 000
Safety & Security	Fire & Rescue	20 000	20 000	20 000	20 000	20 000	25 000	30 000
Safety & Security	Disaster Management	10 000	20 000	15 000	15 000	20 000	20 000	20 000
Safety & Security	Security	10 000	10 000	10 000	10 000	15 000	20 000	20 000
TOTAL CAPITAL EXPENDITURE		1 000 000	1 400 000	1 100 000	1 100 000	1 500 000	1 700 000	1 800 000

Column Definitions:

- A. The audited actual for 2004/05 as per the audited financial statements. If audit figures are not available for 2004/05, pre audit figures must be provided with a note stating these are pre audit.
B. The original budget approved by council for the 2005/06 budget year.
C. The budget for 2005/06 budget year as adjusted by council resolution in terms of section 28 of the MFMA.
D. An estimate of final actual figures (pre audit) for the 2005/06 budget year at the point in time of preparing the budget for the 2006/07 budget year. This may differ from C.
E. The amount to be appropriated for the 2006/07 budget year.
F. The indicative projection for 2007/08
G. The indicative projection for 2008/09

Notes:

1. The strategic objectives and action plans listed here are an example only. Each municipality must list their own as per their own IDP.
2. Totals agree to totals of Capital Expenditure by Vote (see Annexure 3, Table 3 - Capital Expenditure by Vote on page 26)
3. Zeros are used where no amounts are applicable

SUPPORTING TABLE 4 INVESTMENT PARTICULARS BY TYPE	Preceding Year 2004/05	Current Year 2005/06			Medium Term Revenue and Expenditure Framework		
	Audited Actual R'000 A	Approved Budget R'000 B	Adjusted Budget R'000 C	Full Year Forecast R'000 D	Budget Year 2006/07	Budget Year +1 2007/08	Budget Year +2 2008/09
					Budget R'000 E	Budget R'000 F	Budget R'000 G
Investment Type							
Securities - National Government							
Listed Corporate Bonds							
Deposits - Banks							
Deposits - Public Investment Commissioners							
Deposits - Corporation for Public Deposits							
Bankers Acceptance Certificates							
Negotiable Certificate of Deposit - Banks							
Guaranteed Endowment Policies (sinking funds)							
Repurchase Agreements - Banks							
Municipal Bonds							
TOTAL INVESTMENTS							

Column Definitions:

- A. The audited actual for 2004/05 as per the audited financial statements. If audit figures are not available for 2004/05, pre audit figures must be provided with a note stating these are pre audit.
- B. The original budget approved by council for the 2005/06 budget year.
- C. The budget for 2005/06 budget year as adjusted by council resolution in terms of section 28 of the MFMA.
- D. An estimate of final actual figures (pre audit) for the 2005/06 budget year at the point in time of preparing the budget for the 2006/07 budget year. This may differ from C.
- E. The amount to be appropriated for the 2006/07 budget year.
- F. The indicative projection for 2007/08
- G. The indicative projection for 2008/09

Notes:

1. The investment types listed are set out as per the municipal investment regulations posted on the NT web site (www.treasury.gov.za/mfma)
2. List additional types if the list above is incomplete. **Do not use "Other"**
3. Zeros are used where no amounts are applicable

SUPPORTING TABLE 4a INVESTMENT PARTICULARS BY MATURITY	Period of Investment	Type of Investment	Expiry date of Investment	Monetary Value R'000	Interest to be Realised R'000
<u>Name of Institution / Investment ID</u>					

Notes:
List each investment by name of institution and investment identification number unique to that investment

SUPPORTING TABLE 5	Preceding Year 2004/05	Current Year 2005/06			Medium Term Revenue and Expenditure Framework		
					Budget Year 2006/07	Budget Year +1 2007/08	Budget Year +2 2008/09
GOVERNMENT GRANTS & SUBSIDIES - ALLOCATIONS ¹	Audited Actual R'000 A	Approved Budget R'000 B	Adjusted Budget R'000 C	Full Year Forecast R'000 D	Budget R'000 E	Budget R'000 F	Budget R'000 G
<u>National Grant Allocations²</u>							
1.	x	x	x	x	x	x	x
2.	x	x	x	x	x	x	x
3. Etc	x	x	x	x	x	x	x
Sub Total - National Grant Allocations	x	x	x	x	x	x	x
<u>Provincial Grant Allocations²</u>							
1.	x	x	x	x	x	x	x
2.	x	x	x	x	x	x	x
3. Etc	x	x	x	x	x	x	x
Sub Total - Provincial Grant Allocations	x	x	x	x	x	x	x
<u>Municipal Grant Allocations³</u>							
	x	x	x	x	x	x	x
Sub Total - Municipal Grant Allocations	x	x	x	x	x	x	x
TOTAL GRANT ALLOCATIONS	x	x	x	x	x	x	x

Column Definitions:

- A. The audited actual for 2004/05 as per the audited financial statements. If audit figures are not available for 2004/05, pre audit figures must be provided with a note stating these are pre audit.
- B. The original budget approved by council for the 2005/06 budget year.
- C. The budget for 2005/06 budget year as adjusted by council resolution in terms of section 28 of the MFMA.
- D. An estimate of final actual figures (pre audit) for the 2005/06 budget year at the point in time of preparing the budget for the 2006/07 budget year. This may differ from C.
- E. The amount to be appropriated for the 2006/07 budget year.
- F. The indicative projection for 2007/08
- G. The indicative projection for 2008/09

Notes:

1. Refers to allocations by transferring departments and municipalities.
2. Each grant is listed by grant code as shown in the Division of Revenue Act 2006 and also shows the name of grant and name of transferring department or municipality.
3. Show the name and demarcation code of the municipality making the transfer as well as the grant description.
4. Zeros are used where no amounts are applicable

SUPPORTING TABLE 6 NEW BORROWING	Preceding Year 2004/05	Current Year 2005/06			Medium Term Revenue and Expenditure Framework		
	Audited Actual R'000 A	Approved Budget R'000 B	Adjusted Budget R'000 C	Full Year Forecast R'000 D	Budget Year 2006/07	Budget Year +1 2007/08	Budget Year +2 2008/09
					Budget R'000 E	Budget R'000 F	Budget R'000 G
NEW BORROWING							

Column Definitions:

- A. The audited actual for 2004/05 as per the audited financial statements. If audit figures are not available for 2004/05, pre audit figures must be provided with a note stating these are pre audit.
- B. The original budget approved by council for the 2005/06 budget year.
- C. The budget for 2005/06 budget year as adjusted by council resolution in terms of section 28 of the MFMA.
- D. An estimate of final actual figures (pre audit) for the 2005/06 budget year at the point in time of preparing the budget for the 2006/07 budget year. This may differ from C.
- E. The amount to be appropriated for the 2006/07 budget year.
- F. The indicative projection for 2007/08
- G. The indicative projection for 2008/09

Notes:

Use separate line for each new borrowing

SUPPORTING TABLE 7 GRANT ALLOCATIONS	Preceding Year 2004/05	Current Year 2005/06			Medium Term Revenue and Expenditure Framework		
	Audited Actual R'000 A	Approved Budget R'000 B	Adjusted Budget R'000 C	Full Year Forecast R'000 D	Budget Year 2006/07	Budget Year +1 2007/08	Budget Year +2 2008/09
					Budget R'000 E	Budget R'000 F	Budget R'000 G
<u>Allocations to Other Municipalities¹</u> 1. 2. 3. etc							
TOTAL ALLOCATIONS TO MUNICIPALITIES							
<u>Allocations to Entities & Other External Mechanisms²</u> 1. 2. 3. etc							
TOTAL ALLOCATIONS TO ENTITIES ETC							
<u>Allocations to Other Organs of State³</u> 1. 2. 3. etc							
TOTAL ALLOCATIONS TO OTHER ORGANS OF STATE							
<u>Allocations to Other Organisations⁴</u> 1. 2. 3. etc							
TOTAL ALLOCATIONS TO OTHER ORGANISATIONS							

Column Definitions:

- A. The audited actual for 2004/05 as per the audited financial statements. If audit figures are not available for 2004/05, pre audit figures must be provided with a note stating these are pre audit.
 B. The original budget approved by council for the 2005/06 budget year.
 C. The budget for 2005/06 budget year as adjusted by council resolution in terms of section 28 of the MFMA.
 D. An estimate of final actual figures (pre audit) for the 2005/06 budget year at the point in time of preparing the budget for the 2006/07 budget year. This may differ from C.
 E. The amount to be appropriated for the 2006/07 budget year.
 F. The indicative projection for 2007/08
 G. The indicative projection for 2008/09

Notes:

1. Listed by municipal name and demarcation code of the recipient municipality
 2. List by name of entity etc
 3. List by name of organ of state
 4. List by name of other organisation

SUPPORTING TABLE 8					
DISCLOSURE OF SALARIES, ALLOWANCES & BENEFITS					
	Salary Rand ('000) pa	Social Contributions ⁴ Rand ('000) pa	Allowances Rand ('000) pa	Performance Bonuses Rand ('000) pa	Total Package Rand ('000) pa
<u>Councillors</u>					
List each political office bearer ³ by designation					
Provide a total for all other councillors					
<u>Officials of the Municipality</u>					
Municipal Manager (MM)					
Chief Finance Officer					
List each senior manager reporting to MM by designation					
List each official with package >= senior manager by designation					
<u>A Heading for Each Entity⁵</u>					
List each member of board by designation					
Chief Executive Officer (CEO)					
List each senior manager reporting to CEO by designation					
TOTAL COST OF REMUNERATION TO MUNICIPALITY					

Notes:

1. Total package must equal the total cost to the municipality.
2. If benefits in kind are provided (e.g. provision of living quarters) the full market value must be shown as the cost to the municipality
3. Political office bearer is defined in MFMA s 1: speaker, executive mayor, deputy executive mayor, member of executive committee, mayor, deputy mayor, member of mayoral committee, the councillor designated to exercise powers and duties of mayor (MFMA s 57)
4. Social contributions include pensions, medical aid, etc
5. List each entity where municipality has an interest and state percentage ownership and control

SUPPORTING TABLE 8a SUMMARY OF TOTAL SALARIES, WAGES, ALLOWANCES etc	Preceding Year 2004/05	Current Year 2005/06			Medium Term Revenue and Expenditure Framework		
	Audited Actual R'000 A	Approved Budget R'000 B	Adjusted Budget R'000 C	Full Year Forecast R'000 D	Budget Year 2006/07	Budget Year +1 2007/08	Budget Year +2 2008/09
					Budget R'000 E	Budget R'000 F	Budget R'000 G
<u>Councillors (Political Office Bearers plus Other)</u> Basic Salaries Pension Contributions Medical Aid Contributions Allowances Sub Total - Councillors							
<u>Senior Managers of the Municipality (s 57 of Systems Act)</u> Basic Salaries Pension Contributions Medical Aid Contributions Allowances Performance Bonus Sub Total - Senior Managers of Municipality							
<u>Other Municipal Staff</u> Basic Salaries Pension Contributions Medical Aid Contributions Allowances Overtime Performance Bonus Sub Total - Other Municipal Staff							
<u>Board Members of Entities</u> Basic Salaries Pension Contributions Medical Aid Contributions Allowances Board Fees Sub Total - Board Members of Entities							
<u>Senior Managers of Entities</u> Basic Salaries Pension Contributions Medical Aid Contributions Allowances Performance Bonus Sub Total - Senior Managers of Entities							
<u>Other Staff of Entities</u> Basic Salaries Pension Contributions Medical Aid Contributions Allowances Overtime Performance Bonus Sub Total - Other Staff of Entities							
TOTAL EMPLOYEE COSTS							

Column Definitions:

- A. The audited actual for 2004/05 as per the audited financial statements. If audit figures are not available for 2004/05, pre audit figures must be provided with a note stating these are pre audit.
B. The original budget approved by council for the 2005/06 budget year.
C. The budget for 2005/06 budget year as adjusted by council resolution in terms of section 28 of the MFMA.
D. An estimate of final actual figures (pre audit) for the 2005/06 budget year at the point in time of preparing the budget for the 2006/07 budget year. This may differ from C.
E. The amount to be appropriated for the 2006/07 budget year.
F. The indicative projection for 2007/08
G. The indicative projection for 2008/09

SUPPORTING TABLE 8b SUMMARY OF PERSONNEL NUMBERS (Full Time Equivalent)	Preceding Year 2004/05	Current Year 2005/06			Medium Term Revenue and Expenditure Framework		
	Audited Actual No. A	Approved Budget No. B	Adjusted Budget No. C	Full Year Forecast No. D	Budget Year 2006/07	Budget Year +1 2007/08	Budget Year +2 2008/09
					Budget No. E	Budget No. F	Budget No. G
<u>Municipality</u> Councillors (Political Office Bearers plus Other) Senior Managers including Municipal Manager (s 57 of Systems Act) Other Managers Technical / Professional Staff Other Staff (clerical, labourers etc)							
Sub Total - Municipality							
<u>Entities</u> Board Members Senior Managers including CEO Other Managers Technical / Professional Staff Other Staff (clerical, labourers etc)							
Sub Total - Entities							
TOTAL PERSONNEL NUMBERS							

Column Definitions:

- A. The audited actual for 2004/05 as per the audited financial statements. If audit figures are not available for 2004/05, pre audit figures must be provided with a note stating these are pre audit.
B. The numbers as per the original budget approved by council for the 2005/06 budget year.
C. The budget for 2005/06 budget year as adjusted by council resolution in terms of section 28 of the MFMA.
D. An estimate of final actual figures (pre audit) for the 2005/06 budget year at the point in time of preparing the budget for the 2006/07 budget year. This may differ from C.
E. The number to be included in the 2006/07 approved budget.
F. The indicative projection for 2007/08
G. The indicative projection for 2008/09

Notes:

1. Full Time Equivalent (FTE). E.g. One full time person = 1FTE. A person working half time (say 4 hours out of 8) = 0.5FTE.

SUPPORTING TABLE 9 MONTHLY CASH FLOWS	Budget July 2006 R'000	Budget August 2006 R'000	Budget September 2006 R'000	Budget October 2006 R'000	Budget November 2006 R'000	Budget December 2006 R'000	Budget January 2007 R'000	Budget February 2007 R'000	Budget March 2007 R'000	Budget April 2007 R'000	Budget May 2007 R'000	Budget June 2007 R'000	Budget Full Year 2006/07 R'000	Budget Full Year 2007/08 R'000	Budget Full Year 2008/09 R'000
Cash Operating Receipts by Source															
Property rates	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x
Property rates - penalties imposed and collection charges	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x
Service charges - electricity	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x
Service charges - water	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x
Service charges - sanitation	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x
Service charges - refuse	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x
Service charges - other	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x
Regional Service Levies - turnover	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x
Regional Service Levies - remuneration	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x
Rental of facilities and equipment	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x
Interest earned - external investments	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x
Interest earned - outstanding debtors	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x
Dividends received	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x
Fines	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x
Licenses and permits	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x
Income for agency services	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x
Grants - operating (incl. grants from other municipalities)	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x
Grants - capital (incl. grants from other municipalities)	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x
Etc (list each source)															
Cash Operating Receipts by Source	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x
Other Cash Receipts by Source															
New Loans Raised	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x
Receipts from old outstanding debtors	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x
Etc (list each source)															
Total Cash Receipts by Source	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x
Cash Operating Payments by Type															
Employee related costs	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x
Remuneration of Councillors	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x
Collection costs	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x
Repairs and maintenance	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x
Interest paid	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x
Bulk purchases - Electricity	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x
Bulk purchases - Water	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x
Bulk purchases - Sewer	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x
Contracted services	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x
Grants and subsidies paid - other municipalities	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x
Grants and subsidies paid - other	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x
Etc (list each type)	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x
Cash Operating Payments by Type	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x
Other Cash Payments by Type															
Capital Expenditure	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x
Loans repaid	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x
Etc (list each source)	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x
Total Cash Payments by Type	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x
NET INCREASE / (DECREASE) IN CASH & INVESTMENTS	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x

Notes:

1. The items listed are as per the cash items shown in the specimen statement of financial performance plus additional cash items.
2. This supporting table can thus be prepared based on the budgeted statement of financial performance after taking into account non-collectible amounts, timing of collections and other cash items.
3. Delete sources and types that are not applicable.
4. Insert additional sources and types that are not listed in the specimen financial statements. The specimen should be comprehensive and the need list additional sources should not be great.
5. All budgeted amounts must be classified under a particular source or type. **Do not use "other"**
6. This statement is not intended to measure cash as per the bank statement. It measures the change in cash and investments and therefore will not show amounts invested or redeemed from investments.
7. Opening and closing balances may be added to provide further information if desired.

SUPPORTING TABLE 10		
ANNUAL MEASURABLE PERFORMANCE OBJECTIVES	Unit of Measurement	Annual Target 2006/07
Department - Municipal Managers Office Vote: Executive and Council Budget consultation meetings held Produce municipal booklet Performance agreements and contracts signed General ward meetings per ward etc	No. of meetings Booklet produced in Sept No. of contracts signed on time No. of meetings	12 1 6 4
Department - Corporate Services Vote: Finance & Administration Employee reward system developed Job descriptions developed for all staff etc	Completed in November Completed in September	1 1
Department - Planning and Development Vote: Planning & Development City plan reviewed and published Building inspections conducted etc	Completed in October No. of building inspections	1 500
Department - Community Services Vote: Community & Social Services New libraries built etc	No. of new libraries built	1
Department - Technical Services Vote: Electricity New Electricity connections Percentage of HH that meet agreed service levels Percentage of HH that meet agreed service standards Percentage of electricity losses Employment through job creation schemes Employment through job creation schemes Vote: Water New Water connections Percentage of water losses Percentage of HH that meet agreed service levels Percentage of HH that meet agreed service standards Vote: Road Transport km of new road for prev unserviced areas etc Vote: Waster Management Percentage of HH with no rubbish disposal Vote: Waste Water management Percentage of HH with no toilet provision	No. of new electricity connections HH achieving agreed levels / total HH achieving agreed stds / total KW billed / KW used by muni No. temporary jobs created No. permanent jobs created No. of new water connections KL Billed / KL used by muni HH achieving agreed levels / total HH achieving agreed stds / total No. of kilometres No. of HH without / total HH No. of HH without / total HH	4000 95% 100% 15 200 50 2000 20 95% 100% 400 15% 12%
Department - Chief Finance Officer Vote: Finance & Administration Percentage of property valuations disputed Percentage of creditors payments on time etc	No. disputed / total No. No. Paid on Time / total No.	10% 100%

Notes:

1. The format of Department / Vote is an example only. Municipalities may show GFS / Department.
2. The departments are examples only and municipalities should use their own departments or votes

TABLE 11 CAPITAL EXPENDITURE BY CATEGORY	Preceding Year 2004/05	Current Year 2005/06			Medium Term Revenue and Expenditure Framework		
	Audited Actual R'000 A	Approved Budget R'000 B	Adjusted Budget R'000 C	Full Year Forecast R'000 D	Budget Year 2006/07	Budget Year +1 2007/08	Budget Year +2 2008/09
					Budget R'000 E	Budget R'000 F	Budget R'000 G
INFRASTRUCTURE	x	x	x	x	x	x	x
Land and Buildings	x	x	x	x	x	x	x
Roads, pavements, bridges and stormwater	x	x	x	x	x	x	x
Water Reservoirs and reticulation	x	x	x	x	x	x	x
Car parks, bus terminals and taxi ranks	x	x	x	x	x	x	x
Electricity reticulation	x	x	x	x	x	x	x
Sewerage purification and reticulation	x	x	x	x	x	x	x
Housing	x	x	x	x	x	x	x
Street lighting	x	x	x	x	x	x	x
Refuse sights	x	x	x	x	x	x	x
Gas	x	x	x	x	x	x	x
Other	x	x	x	x	x	x	x
COMMUNITY	x	x	x	x	x	x	x
Establishment of parks & gardens	x	x	x	x	x	x	x
Sportsfields	x	x	x	x	x	x	x
Community halls	x	x	x	x	x	x	x
Libraries	x	x	x	x	x	x	x
Recreation facilities	x	x	x	x	x	x	x
Clinics	x	x	x	x	x	x	x
Museums & art galleries	x	x	x	x	x	x	x
Other	x	x	x	x	x	x	x
HERITAGE ASSETS	x	x	x	x	x	x	x
INVESTMENT PROPERTIES	x	x	x	x	x	x	x
OTHER ASSETS	x	x	x	x	x	x	x
Other motor vehicles	x	x	x	x	x	x	x
Plant & equipment	x	x	x	x	x	x	x
Office equipment	x	x	x	x	x	x	x
Abattoirs	x	x	x	x	x	x	x
Markets	x	x	x	x	x	x	x
Airports	x	x	x	x	x	x	x
Security measures	x	x	x	x	x	x	x
Other	x	x	x	x	x	x	x
SPECIALISED VEHICLES	x	x	x	x	x	x	x
Refuse	x	x	x	x	x	x	x
Fire	x	x	x	x	x	x	x
Conservancy	x	x	x	x	x	x	x
Ambulances	x	x	x	x	x	x	x
Buses	x	x	x	x	x	x	x
TOTAL CAPITAL EXPENDITURE¹	x	x	x	x	x	x	x

Column Definitions:

- The audited actual for 2004/05 as per the audited financial statements. If audit figures are not available for 2004/05, pre audit figures must be provided with a note stating these are pre audit.
- The original budget approved by council for the 2005/06 budget year.
- The budget for 2005/06 budget year as adjusted by council resolution in terms of section 28 of the MFMA.
- An estimate of final actual figures (pre audit) for the 2005/06 budget year at the point in time of preparing the budget for the 2006/07 budget year. This may differ from C.
- The amount to be appropriated for the 2006/07 budget year.
- The indicative projection for 2007/08
- The indicative projection for 2008/09

Notes:

- Total Capital Expenditure agrees to Total Funding. See Annexure 3 table 3 on page 26 and table 4 on page 29.
- The categories listed are consistent with the latest accounting standards
- Zeros are used where no amounts are applicable

Certain key financial indicators would greatly enhance municipal budgets by enabling stakeholders to assess the municipality's financial performance. Typical beneficiaries would include members of the public, municipal staff, councillors and investors. Medium term projections of these indicators and indicators alongside past performance will show Councils intentions over this period and allow measurement of actual performance against budget.

These indicators should include the following as a minimum:

Financial Indicators	Basis Of Calculation	Preceding Year Audited Actual 2004/05	Current Year Approved Budget 2005/06	Current Year Adjustment Budget 2005/06	Current Year Full Yr Forecast 2005/06	Budget Year Approved Budget 2006/07	Budget Year+1 Budget 2007/08	Budget Year+2 Budget 2008/09
<u>Borrowing Management:</u>								
Borrowing to Asset Ratio	Total Long Term Borrowing/Total Assets							
Capital Charges to Operating Expenditure	Interest and Principal Paid / Operating Expenditure							
<u>Safety of Capital:</u>								
Debt to Equity	Loans, Accounts Payable, Overdraft & Tax Provision / Funds & Reserves							
Gearing	Funds & Reserves / Long Term Borrowing							
<u>Liquidity:</u>								
Current Ratio	[Current Assets less consumer debtors outstanding greater than 1 yr] / Current Liabilities							
Liquid Ratio	Monetary Assets / Current Liabilities							
<u>Revenue Management:</u>								
Annual Debtors Collection Rate (Payment Level %)*	Last 12 Mths Receipts / Last 12 Mths Billing							
Outstanding Debtors to Revenue	Total Outstanding Debtors / Annual Revenue							

Financial Indicators	Basis Of Calculation	Preceding Year Audited Actual 2004/05	Current Year Approved Budget 2005/06	Current Year Adjustment Budget 2005/06	Current Year Full Yr Forecast 2005/06	Budget Year Approved Budget 2006/07	Budget Year+1 Budget 2007/08	Budget Year+2 Budget 2008/09
Longstanding Debtors Reduction Due To Recovery	Debtors over 12 Months old Recovered / Total Debtors over 12 Months Old							
<u>Creditors Management:</u>								
Creditors System Efficiency	% of Creditors Paid Within Terms (within 30 days as per MFMA s 65(e))							
<u>Funding of Provisions</u>								
Percentage Of Provisions Not Funded (E.g. Provisions For Employee Benefits)	Unfunded Provisions / Total Provisions as a percentage							
<u>Other Indicators:</u>								
Electricity Distribution Losses Percentage Value	(Total units purchased less total units sold) / Total units purchased							
Water Distribution Losses Percentage Value	(Total units purchased less total units sold) / Total units purchased							

** Note: This ratio will be understated (indicating worse payment levels than actual) if interest charged on very old arrears is included in the annual billings amount. It is therefore important to separate the billing for the service as opposed to charges raised for interest. Also, any very old amounts recovered through a concentrated recovery programme should be tracked separately.*

The budget should contain information on the prior and current years and provide targets for at least three years into the future. The budget may also include a brief explanation if there are any material variations between the past performance and the targeted performance, together with a statement of how the municipality plans to address these variations, if unfavourable. Municipalities should include the above minimum indicators by service or function and consider disclosing any other indicators that are required to satisfy grant or other conditions or as the municipality deems necessary.

These targets should set the framework for the financial performance of the municipality. Quarterly reporting should highlight these indicators and explain where targets are not met. The actual achievement or non-achievement of these indicators should be reported in the annual report.

This Annexure provides further detail on what should be included under each of the sub-headings listed under section 5.5 on “Sources of Funding” in the draft circular on Budget Content and Format 2006/07 MTREF (page 9).

Rates, tariffs and other charges

This section should:

- Cover each rate, tariff or other charge individually;
- Cover any relevant assumptions such as growth of tax base etc;
- Summarise rates, tariffs, charges for past years and the medium term;
- Detailed schedule of rates, tariffs and charges to be approved by resolution;
- Refer to revised policies for rates, tariffs, indigents, credit control etc;
- Highlight amendments to the above policies; and
- Highlight strategies to improve collection (past results and future projections).

Examples of rates, tariffs and charges include but are not limited to:

- Property rates;
- Service charges for: electricity; water; sanitation; refuse etc;
- Rental charges for facilities and equipment (sports grounds, halls etc).

Savings and efficiencies

Each year at budget time municipalities should impose a discipline of identifying savings and efficiencies. One way of doing this is to set municipality wide increases at a level below inflationary price movements and ask managers to find efficiencies within their area of responsibility. Another example could be the implementation of demand management to reduce water losses and divert savings towards reducing backlogs. In this section, the municipality should document the savings and efficiencies that will be implemented in the medium term budget and the resultant level of funding achieved.

Investments – cash backed accumulated surplus (pages 38 & 39)

Investments held at the beginning of a budget year represent cash backed accumulated surplus from previous years and could possibly be earmarked for a particular purpose. Here the municipality will document particulars of existing investments and predicted levels of investments based on future strategies. The portfolio of investments should also be compliant with the MFMA, regulations and investment framework.

Annexure 4 tables 4 and 4a (pages 38 & 39) should be shown here.

An explanation of how these investments will fund the medium term budget should also be included covering at least the following:

- Interest earned from investments (to increase reserves or to fund budgets);
- Reserves backed by investments; and
- Sinking funds (to pay off loans on maturity)

Hoarding of funds / reserves should be avoided. Grants should be spent efficiently and timeously. Huge under spending of grants and investing the funds over long periods should be avoided as this works against delivery of basic services. The

Auditor General will be requested to audit reasons for such practices. See also the discussion under the next heading “Grant Allocations”.

Grant allocations (page 40)

A table in the format shown in Annexure 4 table 5 on page 40 should be included showing grant allocations gazetted by the transferring officer according to the Division of Revenue Act.

A further summary for each grant should be provided including:

- The purpose and conditions of the grant as stated in the gazetted grant framework
- Plans to achieve the measurable outputs stated in the grant framework
- Future service delivery implications
- Future revenue and cost implications
- The impact of past performance on planned future performance including: slow spending, funding withheld or withdrawn, non-compliance with Division of Revenue Act reporting requirements and any other performance issues raised by the transferring officer. Refer to the discussion on “Investments” on previous page.

In general it is intended that municipalities spend their entire grant allocation in the financial year it is received. Inability to do so indicates a lack of capacity to implement on the part of the municipality. Planning should be completed well in advance of the budget year since three-year grant allocations are now gazetted.

Municipalities must consider the financial and service delivery consequences of receiving grants and especially capital grants. Capital grants will most likely give rise to an asset requiring ongoing repairs and maintenance costs. The revenue implications should also be considered.

Contributions and donations

Municipalities must budget for anticipated contributions and or donations. These could be in the form of cash or kind. An example of an in kind contribution is infrastructure assets donated to the municipality free of charge by a developer as part of a residential development scheme.

Municipalities must consider the financial and service delivery consequences of receiving contributions and donations. For example, the receipt of an infrastructure asset will require ongoing repairs and maintenance of the asset to maintain agreed service levels and standards. The revenue implications should also be considered. In the above example of a new residential development there should also be new rates and taxes on the new residential properties. Whether the new rates and taxes etc are set at levels sufficient to cover the ongoing costs of the new infrastructure is a policy decision for the council.

Sale of assets

The sale of surplus assets may be an available funding source. However, strict process must be followed as set out in the legislation. Furthermore, it is likely that the sale of assets will be a once off revenue flow and as such should not be used to fund recurrent expenditure.

Carry Over

If at the time of preparing the budget there is reason to believe that funds will be left over from the current year, they may be appropriated in the coming budget. This is more likely to be in relation to capital expenditure. In such cases, the municipality should ensure that the coming budget is set more realistically in terms of what can actually be delivered. Significant under spending of the capital budget is a clear indication of an unrealistic budget.

Experience in the past suggests that the absence of a time schedule for the capital budget has resulted in massive carry over of unspent funds. Refer to MFMA sections 16(3) and 30 in relation to unspent funds. Furthermore, provisions allowing multiple year appropriations for capital budgets should enable better planning and scheduling to take place.

Proposed Future Revenue Sources

Each year when preparing the budget, thought should be given to proposed future revenue sources that could be introduced. This section will highlight these, their potential impact on future budgets and any potential issues.

Borrowing

This section details new long-term borrowing to be undertaken for the budget year and predicted levels in outer years based on future strategies. Annexure 4 table 6 on page 41 provides a format for presenting new borrowing in this section that must agree with the line item for external loans in budget schedule 4 “Capital Funding by Source” – Annexure 2. This must include all new borrowing by the municipality and any entity or other external mechanism of the municipality.

This section must also include the necessary disclosures to satisfy s 215(3) of the Constitution by:

- Detailing any proposals for financing any anticipated deficit; and
- Providing an indication of intentions regarding borrowing and other forms of public liability that will increase public debt during the ensuing year

Refer also to the information sheet regarding invitations for comment on municipal long-term debt proposals (see MFMA Circular 26). This information sheet sets out the requirements for a submission to National Treasury for each long-term debt proposal.

Any proposed short-term borrowing must also be discussed in this section. The projected cash flows for the coming year will influence the choices on short term borrowing arrangements in the budget.